

1 outlined here by Steve was followed up on with respect to  
2 Mr. Henning?

3 A I can't answer that. I don't know. I do know  
4 that he was very involved in the promotional activities with  
5 KOOL, which is the oldies station, my station. And I viewed  
6 him as my contact with programming at the radio station.

7 Q Now, Mr. Henning was an engineer of some kind?

8 A Yes.

9 Q Did he have engineering responsibilities at WRBR,  
10 WBYT and WTRC?

11 A I am not sure about WTRC. He was brought over --  
12 I brought Bob over with me at WRBR, and he remained on staff  
13 there as a dual engineer for WBYT or LTA, so we can get  
14 these straight at the time and my station.

15 Q When you say you brought Bob over, I just want to  
16 make sure we're understanding each other. You brought him  
17 over from where?

18 A He was an employee with -- he was an employee of  
19 Booth. But like many engineers, they were doing -- they  
20 have contracts with a lot of other radio stations, so they  
21 do a lot of roles with competing radio stations in the  
22 engineering field.

23 Q So, it was your understanding in April of 1994  
24 when Hicks Broadcasting of Indiana, LLC became licensee of  
25 Station WRBR that Mr. Henning was a Hicks employee?

1           A     He was brought over by my -- or retained by my  
2     station.

3           Q     Looking at Mass Media Exhibit 72, page 10, it  
4     would appear to me that Mr. Henning is being transferred in  
5     the sense that there are different duties that he is going  
6     to perform in the future. Would that be an appropriate way  
7     of interpreting this document?

8           A     Well, I'd never seen this document. And so, I  
9     would assume that this is just from Steve to the staff. So,  
10    there's some clarification on how he views some of the roles  
11    of these people that are -- that are listed within the  
12    building.

13          Q     Now, keeping if you can one finger at Mass Media  
14    Exhibit 72, page 10, I now want you to turn to Mass Media  
15    96, page 6. It's in the same volume, so you should be able  
16    to find it without too much trouble.

17          A     Okay.

18          Q     Now, this appears to reflect that Mr. Turner is  
19    being promoted to the position of assistant program  
20    director. And looking at that date, that appears to be  
21    November 1995. Do you see that?

22          A     That's correct.

23          Q     So, if we look at the two documents, it appears  
24    that, that being Mass Media 72 -- Exhibit 72, page 10 and  
25    Exhibit 96, page 6, that there was a year period where Mr.

1 Britain was the program director and didn't even have an  
2 assistant?

3 A That would be correct.

4 Q And that in November 1995, Mr. Britain continued  
5 to be program director of WRBR?

6 A That would -- well, that would be correct but this  
7 certainly was a welcome point to me that we now had an  
8 assistant that was going to be, in my mind, my contact, and  
9 he was going to dedicate his efforts to WRBR.

10 Q When Mr. Turner became the assistant program  
11 director, he then became your contact?

12 A Mr. Turner did, yes, from Mr. Henning. I very,  
13 very seldom talked -- I really don't recall I ever talked to  
14 any programming issues with Phil Britain. I just didn't  
15 view him as having any interest nor a person that was -- had  
16 the time. So, it was really Doug Henning was the guy I was  
17 working with even though he really did not have that title.

18 Q You mean Bob Henning, right?

19 A Or Bob. Doug Henning. Bob Henning.

20 MR. HALL: For entertaining at the company party.

21 BY MR. SHOOK:

22 Q At the present time, what are WRBR's news  
23 programming policies, if any?

24 A Our policies?

25 Q That's probably not the best way to put it, but

1 let me try this again. What kind of news programming at  
2 present does WRBR do?

3 A WRBR is very news intense in morning drive  
4 periods, meaning 5:30 a.m. until close to 10:00. We have  
5 extensive national news to the Bob and Tom show, which is a  
6 lot of news. And then on the news breaks, where we have  
7 local news, we always identify with Mishawaka, South Bend  
8 area news. That is the news policy. And that is how we  
9 begin our news.

10 Those news elements are gathered from the  
11 facilities of WRTC which provide our news service. And they  
12 are custom tailored for WRBR. And that is through a policy  
13 of mine that I set down in the way that we want our news  
14 presented.

15 Q This policy that you're referring to, is that a  
16 policy that appears in written form some place?

17 A I don't know that it appears in written form, but  
18 I have had a sit down meeting with that news staff over  
19 there and the coordinator of that operation, Mr. Dick  
20 Rhodes. And he's very aware of the way this should be  
21 handled. And Joe Turner is really the WRBR coordinator with  
22 the news bureau, and is very much aware of that position and  
23 works with him very closely.

24 Q When was this policy that you're referring to  
25 instituted?

1           A     Well, it's kind of always been there. I really  
2 got -- when we started the Bob and Tom show because of the  
3 news intense -- intensity of that program, and we wanted it  
4 to flow. I mean, that's when we really got so we fine-tuned  
5 the news.

6                     But before that, we did have -- I mean, we  
7 obviously identified with the local community of where we  
8 were, but the news was scattered out throughout the whole  
9 day of broadcast. And it was presented in kind of a  
10 different form at that time. I mean it was more lengthy.  
11 We had a lot of stories that really, in my estimation,  
12 didn't pertain to our listeners, to the lifestyle of our  
13 listeners.

14           Q     This was during the period preceding the  
15 acquisition and airing of the Bob and Tom show?

16           A     That's correct.

17           Q     Did you speak with anyone at WRBR about changing  
18 the news situation?

19           A     Continually. That's part of what I was always  
20 looking at along with the music.

21           Q     With whom did you speak?

22           A     Well, we worked with Bob Henning at that time. Of  
23 course, Joe Turner, right now.

24           Q     And what kind of news programming does WRBR have  
25 for the period outside of the 5:30 a.m. to 10:00 a.m.

1 period?

2 A I think there is -- and we go back and forth on  
3 this, but we have a small presence of afternoon -- what we  
4 call afternoon drive news, which would be in the form of  
5 headlines, more or less up to date capsules of what's going  
6 on in the area. And then of course, if there's any breaking  
7 news and we are prepared to, you know, present that. We  
8 have a policy within the programming department on how we  
9 break into various programming elements for emergency news  
10 and that sort of thing.

11 And then again, this differs from season to season  
12 because -- you don't experience it here in Washington, but  
13 we do have a lot of road conditions in the winter that  
14 experience or that call for alerting our listeners of icy  
15 roads and snow -- snow areas and that sort of thing. So, I  
16 view that as news and information.

17 Q The people who deliver the news, are they all  
18 employees of Pathfinder?

19 A Yes, they are.

20 Q And the people who edit the news, are they all  
21 employees of Pathfinder?

22 A Well, that would be true.

23 Q With respect to the public affairs programming,  
24 what public affairs programming is presented by WRBR?

25 A Presently we run some Sunday morning -- a Sunday

1 morning feature that is coordinated through Turner -- Joe  
2 Turner. He works with the people at the news bureau to put  
3 together a public service program of that sort, public  
4 affairs.

5 Q Now, is the program something that is pre-  
6 recorded?

7 A Yes.

8 Q And who actually is the person who is the host, if  
9 you will, for the program?

10 A I think there's various people that host it. They  
11 have guests once in a while, that they'll invite the mayor  
12 or city manager or the librarian or you know, whatever the  
13 issues may be. And those duties I think are designated  
14 amongst that news staff which isn't much. There's two or  
15 three there I think.

16 Q Now, are the people who host the public affairs  
17 employees of Pathfinder?

18 A Yes, they are.

19 Q Are the persons who edit or produce the -- maybe I  
20 should break it up into two parts. Is there an editor  
21 involved in the process?

22 A I don't know that the system that they do over  
23 there to -- to do the final production on the show exactly,  
24 but I think to answer your question, you're correct, yes.

25 Q So, the editor of the program, as such, would be a

1 Pathfinder employee?

2 A Yes.

3 Q And as I indicated, I might be using an improper  
4 term. Would the editor and producer be the same people?

5 A Likely.

6 Q And the producers also would be Pathfinder  
7 employees?

8 A Yeah. This is small-time radio. That's correct.  
9 Just one person, probably.

10 Q And has that been the case since Hicks  
11 Broadcasting of Indiana became licensee?

12 A Yes, it has.

13 Q Now, I believe there was some testimony in direct  
14 about the appearance of the call provision in the operating  
15 agreement. And let me direct your attention to that.

16 For purposes of my question, you can refer to Mass  
17 Media Exhibit 3, page 87 is where the operating agreement or  
18 the copy that we have there begins. And section 7.4(b)  
19 appears on page 93 of the exhibit.

20 A Ninety-three, page 93?

21 Q Yes, 93. Now, I think the testimony is pretty  
22 clear on this subject that the provision that is known as  
23 the call provision was not in the first draft of the  
24 operating agreement. Is that your recollection, as well?

25 A I didn't see the first draft, so I really couldn't



1 comment on that. But what I've learned is that's correct.

2 Q So, approximately how long before the closing were  
3 you made aware that there was a call provision?

4 A This was pretty close of the -- of the month of  
5 March.

6 Q Did you have a chance to talk about that with Mr.  
7 Brown?

8 A Yes, I did.

9 Q And do you remember what it was that you talked  
10 about, specifically focusing on whether or not this call  
11 provision was something you wanted to agree with or not?

12 A It was discussed. And I guess in quick thinking  
13 about it, I didn't have any problem with the way he  
14 explained it to me. But I do recall there was a \$50,000  
15 amount and I crossed that out. I think I remember reaching  
16 over and crossing that out and writing in \$100,000. I think  
17 that was really the substance of our conversation after he  
18 explained that to me. But I didn't have a -- I didn't see a  
19 problem at that point.

20 Q I can't help this either. You wanted to double  
21 your fund.

22 Was this provision a surprise to you when it  
23 appeared?

24 A I don't know if it was a total surprise. I -- I  
25 guess I didn't understand kind of what we were doing because

1 I -- we were talking about formation of the limited  
2 liability company. And I remember asking Ric if this is the  
3 proper place that that sort of thing would appear. And he  
4 said yes, that I guess it's been known to do that or  
5 whatever. I remember asking that question.

6 I guess maybe I was -- I don't know if surprise is  
7 the word, but it caught me off guard I guess a little bit,  
8 that here we are at the end of this thing and all of a  
9 sudden, you know, there's a call provision. But I -- it  
10 wasn't anything that I dwelled on much. I felt it -- when I  
11 read it I thought, you know, it was a fair -- it was a fair  
12 approach to I guess what my thoughts would be.

13 Q Did you make any request to have a similar  
14 provision for your benefit, that being if you wanted to  
15 acquire 100 percent of the interest of the station that you  
16 had an opportunity to do so?

17 A No, I didn't -- I didn't do that.

18 Q Can you explain why not?

19 A Here again, I was -- I was already involved in one  
20 radio station. I was at the age that I thought I'm not  
21 going to do this for totally the rest of my life. This  
22 certainly was a lot more fun project that I was looking at  
23 than what I was involved in. I already built that company,  
24 and this was going to be a fun one.

25 Mr. Dille had indicated to me early on that he was

1 interested in his children having an investment, and I  
2 thought that if this ever worked out, then that would be all  
3 right with me. I really didn't look at somebody trying to  
4 take me out or me trying to take somebody else out. I mean,  
5 that wasn't the spirit that this whole thing was about. And  
6 maybe that's too much trust for a business deal, but I'm  
7 sorry. That's kind of the way I operate. And it just  
8 seemed to work.

9 Q Now, you made reference to the other situation you  
10 were involved with at this time. That being the Crystal  
11 situation. And taking you to the period of March 1994, at  
12 this stage, we've already had two board meetings of Crystal  
13 which I think you have -- which I would interpret your  
14 testimony as that you had a difficult time with those  
15 people.

16 A Yes.

17 Q The work environment there was becoming more and  
18 more oppressive.

19 A That's correct.

20 Q The working relationship that you had with those  
21 people was deteriorating day by day. Understanding that, if  
22 this -- if WRBR is going to be a fun project as you have  
23 characterized it, why wouldn't you want to be in a position  
24 where you could stay?

25 A I had 51 percent of this company. That to me was

1 fine.

2 Q No, I understand you had 51 percent. But if I'm  
3 understanding this provision, given that you have a certain  
4 amount of trust with these people --

5 A Yes --

6 Q -- you're still at their mercy in terms of if they  
7 want to buy you out, they can buy you out.

8 A That's correct.

9 Q Any time.

10 A That's correct.

11 Q But you were okay with that?

12 A And I was okay with that.

13 Q Provided they gave you \$100,000?

14 A And if that happened the next week, then that's  
15 \$100,000 I guess for one week's whatever. But it didn't  
16 happen, and that hasn't happened.

17 Q Now, right at the time of the closing, we also  
18 understand that a put provision came into existence.

19 A Yes.

20 Q And as we understand the testimony initially, the  
21 put provision was something that Mr. Brown had thought of  
22 for your benefit?

23 A Evidently he was working for my welfare at that  
24 point, yes, or all the way through. But yes, he was doing  
25 something that I was unaware he was doing at that particular

1 time, looking out for an exit strategy, I think.

2 Q And the matter was presented to you to sign, that  
3 being the side letter, did you have any discussion with him  
4 as to whether the put provision was a good idea?

5 A He suggested that this would be a good exit  
6 strategy, and he would recommend that I agree to that.

7 Q Now, help me if you can on this. Why is that you  
8 needed exit strategy for a company that you controlled?

9 A I don't know that I have an answer for that. I  
10 think this is something that the attorney thought was a good  
11 idea to have. I -- again, you don't go into things looking  
12 to get out of. He thought it was a good idea. I valued his  
13 decision and signed that agreement.

14 Q I want to move on to a different topic. Focusing  
15 on the time period between the closing on WRBR, the end of  
16 March, beginning of April 1994, and the time of your  
17 deposition in the Crystal litigation, which is in December  
18 of 1995, how frequently did you visit WRBR during that  
19 period?

20 A I don't know that I had a set schedule, but I  
21 probably was there once a week, maybe not quite every week,  
22 but quite often.

23 Q Now, the evidence indicates at this point that  
24 after your employment with Crystal ceased in July of 1994 --

25 A Yes --

1 Q -- there was a period of time when you had an  
2 employment whatsoever. Correct?

3 A That's correct.

4 Q And then in September of 1994, you became involved  
5 with a Sign Pro project?

6 A I was asked by Mr. Dille if I would undertake a  
7 special project that he was working on called Sign Pro.  
8 This was the making of vinyl signs, making of vinyl signs  
9 company.

10 Q And this involved your becoming a salaried  
11 employee of a company controlled by Mr. Dille?

12 A That's correct.

13 Q And did you and he negotiate a salary for  
14 yourself?

15 A I don't know that we negotiated. I think he might  
16 have -- this was a start-up company, and he might have said,  
17 "You know, I might be able to do this amount. You're going  
18 to have a lot of travel" because we were going to set up in  
19 South Bend and Fort Wayne and Grand Rapids.

20 At the early beginnings, there was especially a  
21 lot of travel of getting these retail outlets up and  
22 running. And I recall that's kind of negotiation, that was  
23 maybe what I was negotiating more than the salary. I, at  
24 that point, was very anxious to be involved in something.  
25 And John needed someone to help in that project, and I

1 thought that was a good fit.

2 Q And as we also understand the evidence, that  
3 around the first of the year of 1995, you began to provide  
4 assistance to radio stations in the area of national sales?

5 A Yes, I did.

6 Q And those radio stations included WRBR?

7 A They did.

8 Q Now, other than -- and if I also understand the  
9 evidence, a portion of your salary for providing such  
10 services was allocated to WRBR?

11 A I believe that's correct, yes.

12 Q Did you happen to negotiate with anybody at  
13 Pathfinder in terms of what portion of your salary should be  
14 allocated to WRBR?

15 A No.

16 Q Do you know how the allocation was determined?

17 A I guess kind of a guesstimate at that time of the  
18 amount of time that you're allotting to specific project  
19 related to those radio stations. Probably not very  
20 accurate, but it had to be some sort of an allocation.

21 Q And that you continued on with that kind of work  
22 for what? About six months until July of 1995 when you  
23 became the general manager at the Pathfinder Grand Rapids  
24 facility?

25 A I was still working the Sign Pro project because

1 that was not totally complete, but we did get the retail  
2 stores up and running. And then the national sales project  
3 came along, and it kind of overlapped with the sign  
4 business.

5 And then, I got a call one evening from John Dille  
6 and said, "I need some help. And maybe it's something you'd  
7 be interested in." He said, "This is going to be a very  
8 short term project." And a long time manager of his radio  
9 stations in Grand Rapids had decided to leave the company.  
10 And I reside 45 minutes to the south of Grand Rapids.

11 And I thought by that conversation -- I never  
12 asked John, never have to this day, whether it was his  
13 mindset to sell the Grand Rapids station, which it was. I  
14 finally found out later that that was his scheme. So, we  
15 were an interim general manager of the Grand Rapids radio  
16 stations, much longer than he originally told me in that  
17 initial telephone conversation.

18 At that time, I gave up the national sales effort  
19 for Pathfinder. I did do a little clean-up work for sign  
20 shops at that time. So, there was probably still some  
21 allocation, you know, going in those directions.

22 There was a time shortly after I arrived in Grand  
23 Rapids that I just -- I just couldn't do the sign thing  
24 anymore. They hired another person to take over my  
25 position.



1           Q     In other words, you were busy enough in Grand  
2     Rapids that the Sign Pro work was incompatible with your  
3     duties in Grand Rapids?

4           A     Between Grand Rapids and I was still -- I still  
5     had a -- an effort the other way, down in my station in  
6     South Bend, and I was doing national sales very strongly  
7     down there. So, I was involved in that radio station and  
8     the Grand Rapids, going north and south. So, I just could  
9     not do the sign business.

10          Q     When you were the manager in the Grand Rapids  
11     properties, would there be like a typical week that you  
12     would have? How many hours in a typical week would you  
13     spend at the Grand Rapids station?

14          A     Well, I -- that was a pretty big operation. We  
15     had --

16          Q     You had three radio stations.

17          A     We had three radio stations. When I arrived  
18     there, we had a lot of employees. I can't tell you how  
19     many. I mean, it was a tremendous amount of employees. It  
20     was a big operation. It was a bigger operation than I was  
21     ever used to.

22                 So, in the initial time period, I spent a lot of  
23     time there trying to get the thing figure out and also,  
24     trying to get an understanding on what my role was going to  
25     be on whether we were going to try and rebuild this radio

1 station or whether I was going to be manager of status quo  
2 until we got a new buyer in or whatever. I kind of took the  
3 middle ground. Tried to rebuild and also with the idea that  
4 a new owner would probably be coming in very soon.

5 So, I allotted a lot more time at the very  
6 beginning to Grand Rapids, and then after I felt more  
7 comfortable there, I guess then my duties evened out a  
8 little better with RBR.

9 Q Well, approximately how long did it take for you  
10 to get I guess to the comfort level you were talking about  
11 at the Grand Rapids properties?

12 A Maybe six months. I don't know exactly.

13 Q Roughly speaking for the first six months you were  
14 spending the majority of your time in Grand Rapids business?

15 A Well, I went to work every day in Grand Rapids. I  
16 -- I don't want to tell you I just gave up on -- but there  
17 was many times that I would go up to South Bend the same day  
18 that I was in Grand Rapids. In mornings in Grand Rapids, in  
19 South Bend in late afternoons. So, I mean, I was doing some  
20 double duty there a lot of times. A lot of miles.

21 THE COURT: Do you want a five minute break?

22 THE WITNESS: Yes, please.

23 THE COURT: All right. We'll take a five minute  
24 break.

25 (Whereupon, a short break was taken.)

1 THE COURT: Back on the record. We'll get out of  
2 here today, Mr. Hicks.

3 MR. SHOOK: The Judge has essentially told me if I  
4 don't finish with you, too bad.

5 MR. HALL: One of the two of you are leaving  
6 today, Jim.

7 THE COURT: Mr. Hicks has indicated he has some  
8 blood work and so he doesn't want to come back. So, make  
9 every effort to get him out of here. Go ahead.

10 BY MR. SHOOK:

11 Q All right. Mr. Hicks, when you began your  
12 national sales effort on behalf of Pathfinder stations and  
13 WRBR, was there a salary negotiated for yourself?

14 A I believe at that time and I can't remember what  
15 the salary designated for the Sign Pro duties were. But it  
16 did go up a little when you added the duties of national  
17 sales. So, there was an increase there. And then of  
18 course, there was that expense issue again, because that did  
19 involve a lot of extra travel.

20 Q Along those lines, let me direct your attention to  
21 Mass Media Bureau Exhibit 90. It's in the third volume of  
22 exhibits. The first page that I want to focus your  
23 attention on is page 7.

24 A Yes.

25 Q Now, as I see this exhibit in conjunction with

1 some other testimony that we've had, it's my understanding  
2 that your annual salary was in the range of \$70,000.

3 A That -- that's correct.

4 Q And that's something that you and -- you agreed  
5 to. With whom did you make that agreement?

6 A John Dille.

7 Q Now, did you have any agreement with John Dille as  
8 to what portion, if any, of that \$70,000 should be allocated  
9 to WRBR?

10 A No.

11 Q Did you end up making an agreement with anybody at  
12 Pathfinder as to what portion of your salary should be  
13 allocated to WRBR?

14 A Periodically, I had discussions with Bob Watson on  
15 the allocations because they were ever changing.

16 Q Along those lines, I want to direct your attention  
17 to page 11 of Mass Media Exhibit 90. After you read the  
18 note to yourself, my question to you is were you aware that  
19 Mr. Watson made this request regarding your salary and its  
20 allocation?

21 A I have never seen this. I really don't know what  
22 that means.

23 Q Well, from the testimony, what I understand it to  
24 mean is that effective November 1, 1995, if you can see from  
25 the top of the note there, that \$3,000 of your salary is

1 supposed to be charged to WRBR.

2 A Okay.

3 Q Now, as of November 1, 1995, you were the general  
4 manager of three stations in Grand Rapids, Michigan.  
5 Weren't you?

6 A That's correct.

7 Q Did your salary increase on November 1, 1995?

8 A No, it did not.

9 Q Did you know that \$3,000 of it was being charged  
10 to WRBR?

11 A I knew that there was some allocation splits. I  
12 really didn't focus on the percentages. At that time, I  
13 knew -- I knew it at some period of time that 50 percent was  
14 being allotted to WRBR, but I didn't know on this particular  
15 date. I don't -- I may have, but I don't have a  
16 recollection of that.

17 Q When you say 50 percent, was that percentage  
18 worked out between yourself and somebody?

19 A Bob Watson and I discussed that. It -- just that  
20 we thought that was a split at that time that made sense I  
21 guess, because I was spending a lot of -- a lot more time I  
22 guess at the South Bend operation maybe -- and it's hard to  
23 tell. I mean, you might go down there -- you might go down  
24 there three times a week one week and not for a couple of  
25 weeks. And then you go down -- so, it's really hard to work

1 it out. And there was, you know, a lot of times I did night  
2 work down there and that sort of thing.

3 So, it was just a -- I think, just really a  
4 meeting of the minds of a split. That was fine with me.

5 Q Now, do you also happen to see the note at the  
6 bottom of the page here on page 11 of Mass Media Exhibit 90?  
7 The testimony that we have on that is that \$30,000 was  
8 reclassified and charged to WRBR.

9 A Uh-huh. I don't -- I didn't see this note before.

10 Q Were you aware that it had happened?

11 A I believe I was, but I can't tell you when I was  
12 aware of it.

13 Q And did you agree to it?

14 A And I agreed to it. I've agreed to the splits.

15 Q Now, if I remember what you testified about just a  
16 few minutes ago before the break, that in the beginning of  
17 your Grand Rapids work, you had to spend a great deal of  
18 time up there because there were three stations involved and  
19 many more employees than you had ever had to deal with  
20 before. Correct?

21 A That's correct.

22 Q Would there be a typical work week for yourself  
23 during this period?

24 A I don't think anything in radio is typical.

25 Q Would a 60 hour work week be common for a general

1 manager?

2 A It certainly would be common in many -- some  
3 instances, yes.

4 Q Were you spending 60 hours a week at Grand Rapids?

5 A I don't know that I, on a regular basis, spent 60  
6 hours a week in Grand Rapids, but I -- when we have special  
7 events and that sort of thing going on at any radio station,  
8 you spend extra time. You work a lot of evenings and  
9 sometimes weekends.

10 Q Well, isn't it fair to say that at least during  
11 the first six months of your being the general manager of  
12 the Grand Rapids properties that you spent far more than  
13 one-half of your time working on the Grand Rapids situation?

14 A I would say, Jim, that that's probably an accurate  
15 statement.

16 Q And notwithstanding that, it appears that 50  
17 percent of your salary was being allocated to WRBR?

18 A You're correct.

19 Q Now, at Grand Rapids, there was also a period of  
20 time when -- was it one of the stations or two of the  
21 stations were sold off and you were the general manager of  
22 the remaining property?

23 A That's correct. Two out of the three were sold to  
24 Clear Channel.

25 Q And how long a period of time after the sale of

1 the two stations did you remain as general manager of the  
2 remaining station?

3 A I think that was approximately a year. It could  
4 be -- it could have been a little shorter time than that,  
5 but there was some wrap-up period after the sale of the  
6 final station, so.

7 Q Is it your understanding that during that period  
8 the allocation of your salary remained the same, that being  
9 50 percent to Grand Rapids and 50 percent to South Bend?

10 A The allocation of my salary did not change to 100  
11 percent at WRBR until I left Grand Rapids permanently.  
12 That's correct. So, that would be my understanding.

13 Q Now, considering that you're the -- you hold the  
14 majority interest in the entity that controls WRBR, why  
15 didn't you go to work at WRBR after leaving Crystal?

16 A Well, we had in place a very good general manager.  
17 We were doing a sharing of salaries between the two  
18 companies. That was a good cost-saving effort. But Steve  
19 Klein was doing an excellent job. And there would have been  
20 really no reason for me to step in and push Steve Klein out.  
21 It just didn't make sense to me. I mean, I thought this was  
22 a good alternative of keeping busy for my life and maybe  
23 still being able to provide services to WRBR in a  
24 owner/consultant type arrangement.

25 Q Accepting that it's a cost savings to continue



1 with Mr. Klein because you're paying him, in essence,  
2 \$30,000 a year to be general manager --

3 A Well, by that time it was probably a little more  
4 than that, but you're correct in your assumption.

5 Q All right. Let me put it to you this way. It is  
6 a cost savings to the extent that he's being paid one-half  
7 or whatever his total salary is. He's being made one-half  
8 to operate WRBR. With that in mind, how is it that you end  
9 up having to have half of your salary allocated to WRBR  
10 beginning January 1, 1995?

11 A Well, I -- I think if I'm going to draw any salary  
12 from there, that I ought -- there ought to be some  
13 allocation by the amount of time that you provide them. It  
14 may not be, you know, accurate to the percent, but at least  
15 there's some designation of services performed and  
16 percentage of time and services performed in another area  
17 and percentage of time. And I think that's what really we  
18 were trying to do. I'm not sure we're very accurate at it,  
19 but that's the way it worked out.

20 Q Try to understand the problem I'm having here.  
21 Beginning July 1, 1995, you have the responsibility to  
22 manage three radio stations in Grand Rapids, Michigan.

23 A That's correct.

24 Q There's one station that has less than five full  
25 time employees in South Bend, Indiana that for the year 1995

1 and the year 1996 up to March of 1997, is paying not only  
2 the salary allocated to Steve Klein to be general manager of  
3 WRBR, but is also paying one-half of the salary that you  
4 received for being a general manager in Grand Rapids,  
5 Michigan to cover RBR. And you agreed to that?

6 A But I agreed to that.

7 Q There has been -- I'm moving on to a different  
8 topic. There has been some testimony about the audience  
9 development group and Tim Moore. Was the audience  
10 development group utilized by Pathfinder, to your knowledge,  
11 prior to April 1, 1994?

12 A I think the audience development group performed  
13 various services for Pathfinder. I'm not exactly sure what  
14 they were or what kind -- how extensive they were.

15 Q Had the audience development group provided  
16 services to Hicks Broadcasting Company -- the Hicks  
17 Broadcasting Company that held the licenses to WKNR and  
18 WKFR?

19 A No.

20 Q Had it provided services to the Crystal Radio  
21 Group?

22 A No, not to my knowledge.

23 Q I want to direct your attention to Mass Media  
24 Bureau Exhibit 1. Actually, Mass Media Exhibit 3 -- no,  
25 excuse me. I got it right. Mass Media Bureau Exhibit 1,

1 page 84. And what I'd like you to focus on is the first  
2 question and answer that appears. It's under the heading of  
3 Response of Hicks Broadcasting of Indiana, LLC.

4 A I see it, yes.

5 Q Do you see the question number 1?

6 A Yes.

7 Q And you see the response that was given?

8 A Yes.

9 Q Is there any portion of that response that you now  
10 believe to be inaccurate?

11 A Yes.

12 Q And what is that?

13 A I believe I'm speaking that this was the  
14 additional compensation that I received in my employment  
15 with Pathfinder.

16 Q What sentence in particular are you looking at, if  
17 any?

18 A Well, I was just looking at the total document.  
19 I'm sorry.

20 Q Directing your attention to the third sentence of  
21 the response which begins "Neither John F. Dille, III nor  
22 Pathfinder were the source of any Hicks' funds."

23 A That's -- that would be I guess where I would be  
24 focusing, yes.

25 Q And so, that response was inaccurate?

1           A     That response was inaccurate, Your Honor, or your  
2     sir.

3           MR. SHOOK: Judge, he didn't mean anything by  
4     that.

5           Now, do you know how it came to be that an  
6     inaccurate response was submitted?

7           THE WITNESS: Well, I do now. At the time that we  
8     put this together, this was totally an oversight. Sometime  
9     this past summer, I received a call from Bob Watson who  
10    had -- he was here in Washington or had just returned from  
11    Washington and reviewing some documents discovered the  
12    additional payments that -- additional compensation that  
13    Pathfinder had given me.

14           And I do recall the telephone conversation. I was  
15    at my vacation place at that time, and he was very, very  
16    upset. In fact, I thought he was very ill or sick because I  
17    couldn't hardly understand him. And he said, "We've  
18    discovered something here that I just feel terrible about."  
19    And he explained what it was, and then I recalled at that  
20    time the same thing that he was telling me.

21           My response to him was that, "We have to notify  
22    the Commission immediately about this." And he said, "Thank  
23    you. I'm glad you agree." And that's how I was informed  
24    about it.

25           Q     So, the reality is that there was some portion of

1 the funds that you used to pay your portion of the payment  
2 due to Booth that came from Pathfinder?

3 A That's correct, sir. And I believe we immediately  
4 informed the Commission of that.

5 Q Now, I want to direct your attention to Mass Media  
6 Bureau Exhibit 100. It's in the third volume of exhibits.  
7 And the minutes of the meeting that I would like to direct  
8 your attention appear on pages 10 and 11 of that exhibit.

9 A Yes.

10 Q Now, these minutes reflect a meeting that took  
11 place on August 20, 1997? You can see that on the first  
12 page.

13 A That's correct.

14 Q Now, turning to the second page and looking at the  
15 top, you see where it talks about a discussion regarding a  
16 van?

17 A Yes.

18 Q What is the van that is being referred to there?

19 A My recollection of that is that we had an old van  
20 that was in use by Hicks Broadcasting. I think that it  
21 actually came over with the Booth transaction. I think  
22 that's how old it was. And for some reason, it got to Grand  
23 Rapids. And we also had another utility van there, and I  
24 was questioning whether that was my van that was the newer  
25 van. And I -- dawned me that I thought that that vehicle